

CITY COMMISSION MINUTES

August 3, 2010

7:00p.m.

The regular meeting of the Junction City City Commission was held on Tuesday, August 3, 2010 with Mayor Mike Rhodes presiding.

The following members of the Commission were present: Terry Heldstab, Scott Johnson, Mike Rhodes, Ken Talley, and Jack Taylor. Staff present was: City Manager Gerry Vernon, City Attorney Catherine Logan, and City Clerk Tyler Ficken.

PUBLIC COMMENT

Scott Johnson of 604 Stone Ridge Dr. stated that the Eagle landing development received a 90% property tax rebate, 68.8% of improvements were paid for by the City, and fees for inspections were waived. The citizens pay too many taxes to support a few people.

Connie Hall of the Geary County Convention and Visitors Bureau stated that the CVB board voted against raising the Transient Guest Tax.

Mary Somerack of 428 W. 18th St. stated that she is fighting her traffic ticket on appeal. She stated that she is outraged at the situation. Commissioner Johnson stated that he would like the issue to be looked into. Mary Somerack stated that the appeal process is expensive. Mary Somerack stated that this is against common decency; she stated that she would take this to the Supreme Court.

Rhonda Thomas of the Ramada Limited stated that she is not in favor of an increase to the Transient Guest Tax. She stated that it is better to sell 10 rooms than any fewer because more stays results in increased exposure.

Shelia Burdett of Golden Wheat Budget Host stated that recent state and local tax increases are making the cost of doing business too high. She stated that those who use the arts programs need to pay to support them.

Janie Murk of 1451 Oakview Dr. stated that she is totally against an increase to the Transient Guest Tax. She stated that people in the Community need to support the arts.

Deb Johnston of 1420 McFarland Rd. asked who got the good deal on the Eagle Landing project. Commissioner Johnson stated that it was Kyle Junghans & Gary Junghans.

Adam Wilke stated that he has helped Junction City Arts in the past, but cannot afford a 2% tax on hotel and business. He stated that a 16.55% tax on business is a problem. He stated that Rick and Connie at the CVB manage their money well.

Mr. Rangarajan of the Holiday Inn Express stated that his taxes are paid and up to date. He stated that he is against the 2% tax. He stated that guests to not ask about or participate in Junction City Arts; people stay and leave.

George Marcus of 1538 McFarland Rd. stated that he has a problem with the Mayor keeping people quiet in the Commission audience. Mayor Rhodes stated that he wants to keep this a civil proceeding. George Marcus stated that Commissioner Johnson is doing a good job in bringing up past back door deals.

Bill Crosby of 1505 S. Garfield stated that 49% of every dollar he earns goes to the government.

Commissioner Johnson asked if taxpayers are paying for sewer and water improvements on the new 12-plex property. City Manager Vernon stated that the City is paying for a portion of the improvements, as the improvements benefit the City at large.

CONSENT AGENDA

The consideration and approval of **Appropriation Ordinance A-15-2010** dated July 16, 2010 to July 28, 2010 in the amount of \$410,067.48. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

Approval of the **July 20, 2010** City Commission Meeting Minutes. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval for Change Order #1 in the increased amount of \$1,560.00 for adjusted quantities for work performed on the Jerry Conrow Sanitary Sewer Extension. This will make the contract amount not to exceed \$16,024.00. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval for pay estimate #2 in the amount of \$3,006.40 to Stevens Contractors, LLC for work performed on the Jerry Conrow Sanitary Sewer Extension. The project is complete as of this Pay Estimate. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval for Pay Estimate #1 to Union Pacific Railroad in the amount of \$26,478.86 for the reconstruction and widening of the East Chestnut Street Railroad Crossing. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval for Pay Estimate #2 to Union Pacific Railroad in the amount of \$14,865.05 for the reconstruction and widening of the East Chestnut Street Railroad Crossing. Commissioner Taylor moved, seconded by Commissioner Johnson to

approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval of R-2623 to set a public hearing date of September 21, 2010 regarding condemnation of 1803 Oakridge Dr. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval to award contract to Harold Glessner Excavating for the Demolition of 1220 N. Eisenhower Dr. in the amount of \$1,140.00. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval to award contract to Harold Glessner Excavating for the demolition of 538 W 12th St. in the amount of \$1,240.00. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

Consideration and approval of R-2627 and Letter providing support for change of Kansas municipal budget law to allow cities more time to receive current year financials to develop their budgets. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval of Payroll #13, #14 and #15 for the month of July 2010. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the consent agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

APPOINTMENTS

PUBLIC HEARING

A public hearing to consider condemnation of the structure at 1005 Dagen Lane and approval of **R-2624**. Mayor Rhodes opened the public hearing. Senior Inspector Karmann stated that this property has improved greatly, and is being rehabilitated. Commissioner Taylor stated that he is pleased that Perfection Builders was able to save the property from demolition. Mayor Rhodes closed the public hearing. Commissioner Heldstab moved, seconded by Commissioner Taylor to not condemn the structure at 1005 Dagen Lane. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

A public hearing to consider condemnation of structure at 914 and 916 Kramer Court and approval of **R-2625**. Senior Inspector Karmann requested that this item be tabled until the August 17, 2010 City Commission Meeting. Commissioner Talley Moved, Seconded by Commissioner Johnson to table the item for future consideration. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

SPECIAL PRESENTATIONS

JC Arts Coalition Presentation regarding a 2% transient guest tax. Gail Parsons stated that the City discontinued funding the Arts Council in 2007. The community spoke out last year, and the Arts received some funding. Gail Parsons stated that many communities use the Transient Guest Tax to support local art. Kathy Rankin presented (Exhibit A) attached. Commissioner Johnson stated that it was a good presentation; he stated that he does not see this happening this summer, but it should be considered in the future. Commissioner Heldstab asked if the Arts Coalition has had any capital fundraising campaigns. Kathy Rankin stated that they had not. City Attorney Logan stated that for the City to administer the Transient Guest Tax, the County must approve. Commissioner Taylor stated that the group needs to ask for donations; he stated that it looks bad that they have not asked for financial support from their supporters. Kathy Rankin stated that they would like to expand and reach more people; she stated that cultural tourism is on the rise in America. Commissioner Taylor stated that the City needs to look out for business owners. Gail Parsons stated that the organization does a lot of fundraising, but does not call it that.

NEW BUSINESS

The Consideration and approval of **R-2626** to approve application for 2010 USDA 523 grant for Self Help Housing. The grant is for two years in the amount of \$360,000.00. City Manager Vernon stated that the funding would cover the cost of SHH benefits. Dan Pfizenmaier stated that the funding would go toward salary, benefits, and office expenses. Commissioner Johnson stated that the government costs too much to run these programs. Dan Pfizenmaier stated that the program helps people learn to run their lives, and makes active citizens. Commissioner Heldstab moved, seconded by Commissioner Talley to approve **R-2626** to approve application for 2010 USDA 523 grant for Self Help Housing. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

Consideration and approval to install four (4) 150 W High Pressure Sodium (HPS) street lights along Commonwealth Avenue. Commissioner Talley stated that he did not think there lights were imperative at this time. Commissioner Johnson stated that this cost should have been included in the original development. Commissioner Heldstab moved, seconded by Commissioner Talley to table the issue. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

Consideration and approval of Ordinance S-3084 to annex the property located at 2324 Spring Valley Road into the corporate limits of the City of Junction City, Kansas.

- (1) Approval of S-3084 (first reading)
- (2) Request for Declaration of Emergency
- (3) Approval of S-3084 (final reading)

City Manager Vernon stated that the septic tank at 2324 Spring Valley Road has failed and the owner is requesting to be annexed for sewer services. Commissioner Heldstab asked to verify that there will be no cost to the City, and a determination of the exact property. Commissioner Johnson moved, seconded by Commissioner Heldstab to

approve S-3084 on first reading. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

Consideration of lease agreement for the Kaw Valley Industrial Park. City Manager Vernon stated that there are a number of people interested in the lease. Mayor Rhodes stated that the growing season needs to be taken into consideration in this bid process. Commissioner Johnson stated that a portion of the land is not needed, and should be sold. Ron Strauss presented a proposal for a 5 year lease to the Commission; he would like to take care of a portion of City street as part of the compensation to the City for the lease. Mayor Rhodes stated that the road issue may need to be handled as a separate issue. City Manager Vernon stated that the City needs to maintain the City bid process; publication will occur as soon as possible.

Budget update (Exhibit B) attached. City Manager Vernon stated that the Department Heads have cut a million dollars from the budget. Mayor Rhodes thanked the staff for their quick work on the budget. Commissioner Johnson stated that a good job was done on the budget; people need to show up on Thursday for the public hearing. City Manager Vernon stated that the City can support MAC by way of a consolidation effort to cut costs. City Manager Vernon thanked the staff for their work on the budget.

The consideration and approval of Ordinance S-3083 attesting to an increase in tax revenues. **(First Reading)** Commissioner Johnson moved, seconded by Commissioner Talley to approve S-3083 on first reading. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

COMMISSIONER COMMENTS

Commissioner Taylor asked about the Converse property sale, and the waterbed store auction. City Manager Vernon stated that the City is working toward a better way to sell City property.

Commissioner Johnson stated that it was good to see more people at the Commission meeting.

Commissioner Talley asked how the City is taking care of the Franklin school traffic situation. City Manager Vernon stated that he is going to examine personally the chaos on the street; he has set up a time to view the traffic with Chief Brown and Tom Neal.

Mayor Rhodes requested an update on the demolition of the carwash on Chestnut St. City Manager Vernon stated that asbestos was discovered, and the building will be down in two weeks. Mayor Rhodes mentioned that the vote on the Eagle Landing project was a 5-0 vote by the City Commission. Mayor Rhodes stated that Commissioner Johnson will know what it is like to defend his own positions in the future. Mayor Rhodes stated that he felt the vote on Eagle Landing was correct at the time.

STAFF COMMENTS

Steve Hoambrecker stated that the City's power was interrupted resulting in low water levels in the City water towers. He requested that people conserve water by not watering their lawns this evening.

ADJOURNMENT

Commissioner Talley moved, seconded by Commissioner Heldstab to adjourn at 10:23 PM Ayes: Heldstab, Johnson, Talley, Taylor. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 17th DAY OF AUGUST 2010 AS THE OFFICIAL COPY OF THE JUNCTION CITY CITY COMMISSION MINUTES FOR AUGUST 3, 2010.



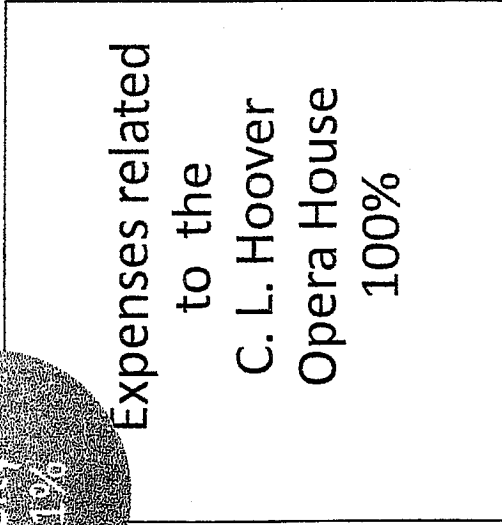
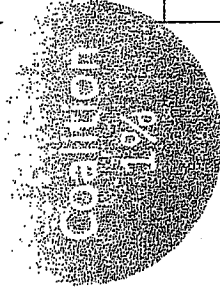
Tyler Ficken, City Clerk

Mike Rhodes, Mayor

Funding Arts in Junction City

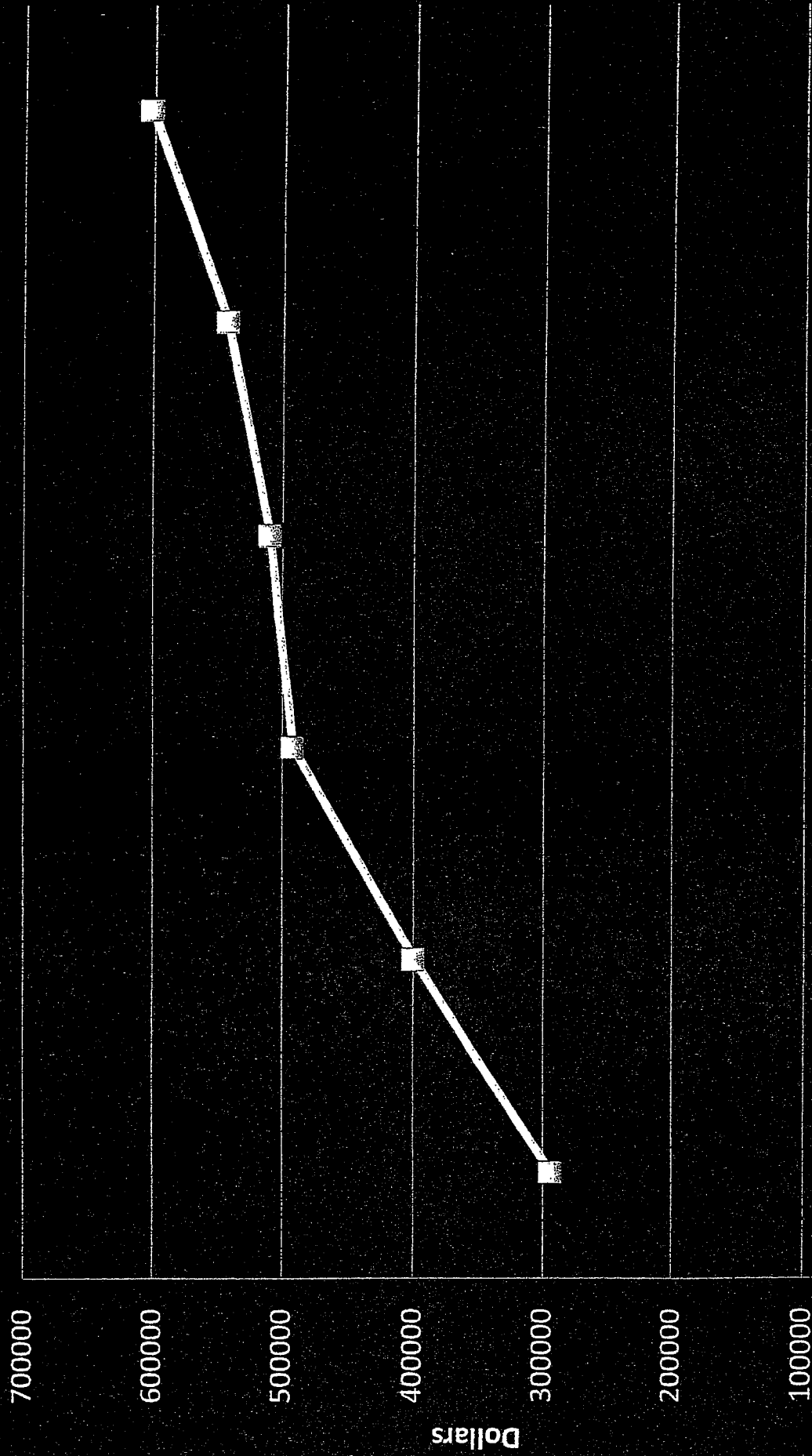
Arts Coalition

Junction City Arts Council 40%
C. L. Hoover Opera House Foundation 25%
Junction City Little Theater 25%
Junction City Community Band 3%
Geary County Children's Choir 3%
Grants for other arts entities 4%



Expenses related
to the
C. L. Hoover
Opera House
100%

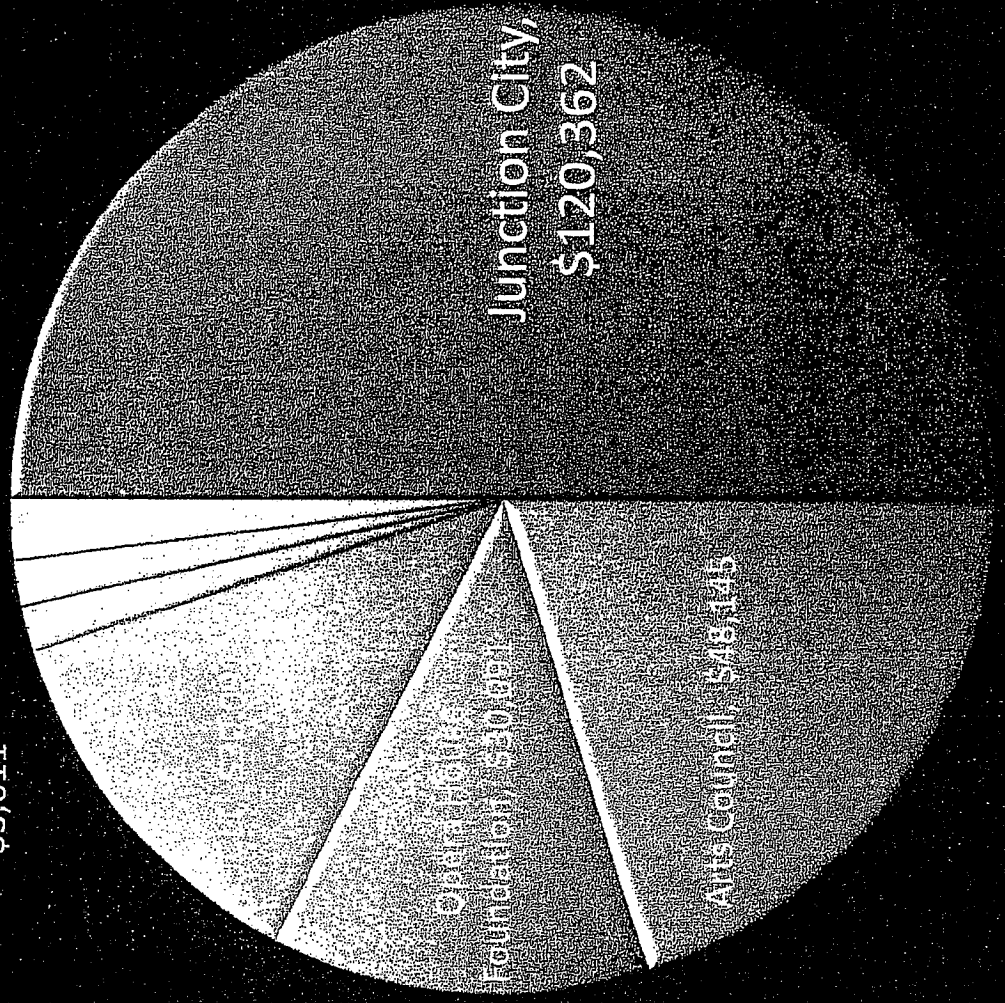
TGT Revenue 2005-2010



Amount	2005	2006	2007	2008	2009	2010
	293452	399395	491665	509329	542979	601811

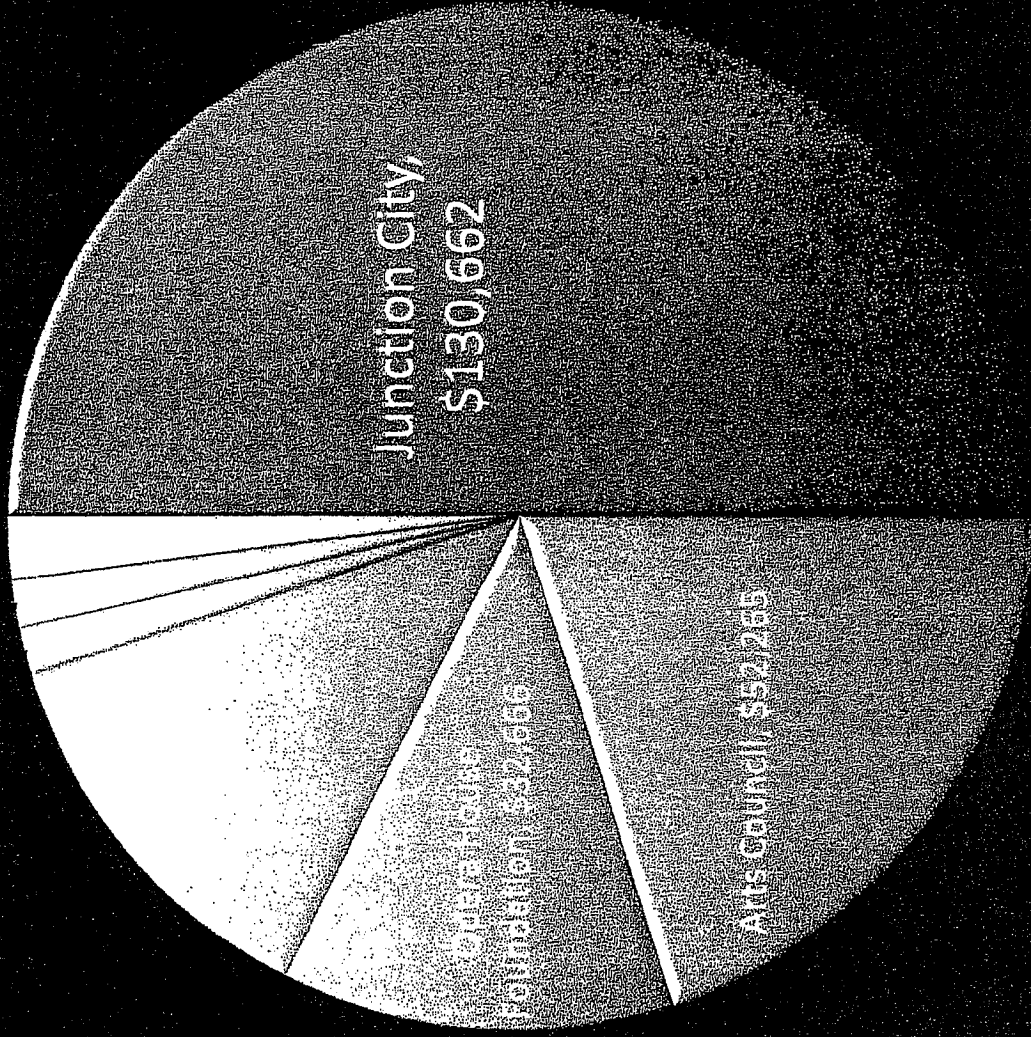
Option A: 2% TGT Levied by City

Children's
Choir, \$3,611
Grants, \$4,814
Community Band,
\$3,611



Option A: 2% TGT with 90 Day Transient

Community Band, \$3,920	Children's Choir, \$3,920	Grants, \$5,226
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Junction City ■ TGT ■ 90 day transient

Junction City

TGT

90 day transient

\$176,000

\$100,638

899,338\$

Budget

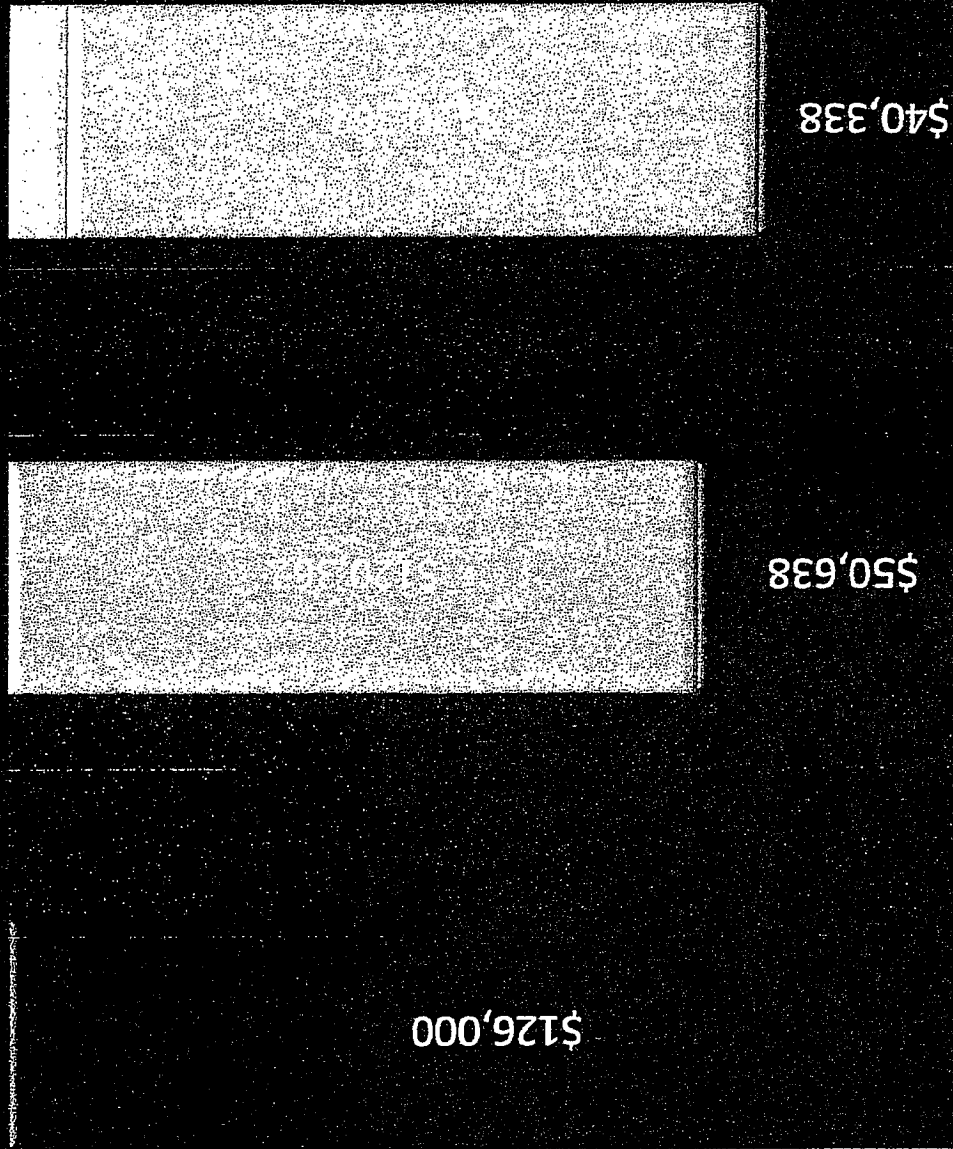
Budget with TGT

Budget with TGT + 90

The second and third columns include an increase of City expense for administration.

Opera House Budget Line Item 126,000

☐ Junction City
 ☐ TGT
 ☐ 90 day transient

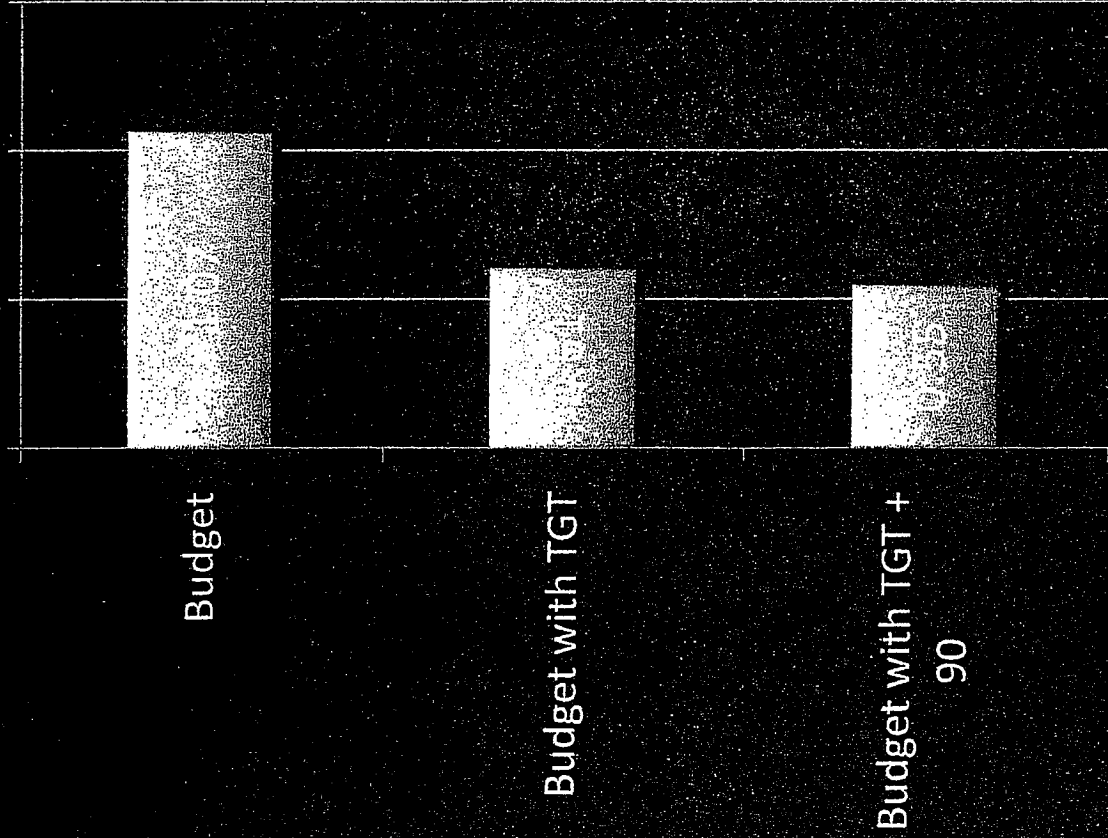


Budget Budget with TGT Budget with TGT + 90

The second and third columns include an increase of City expense for administration.

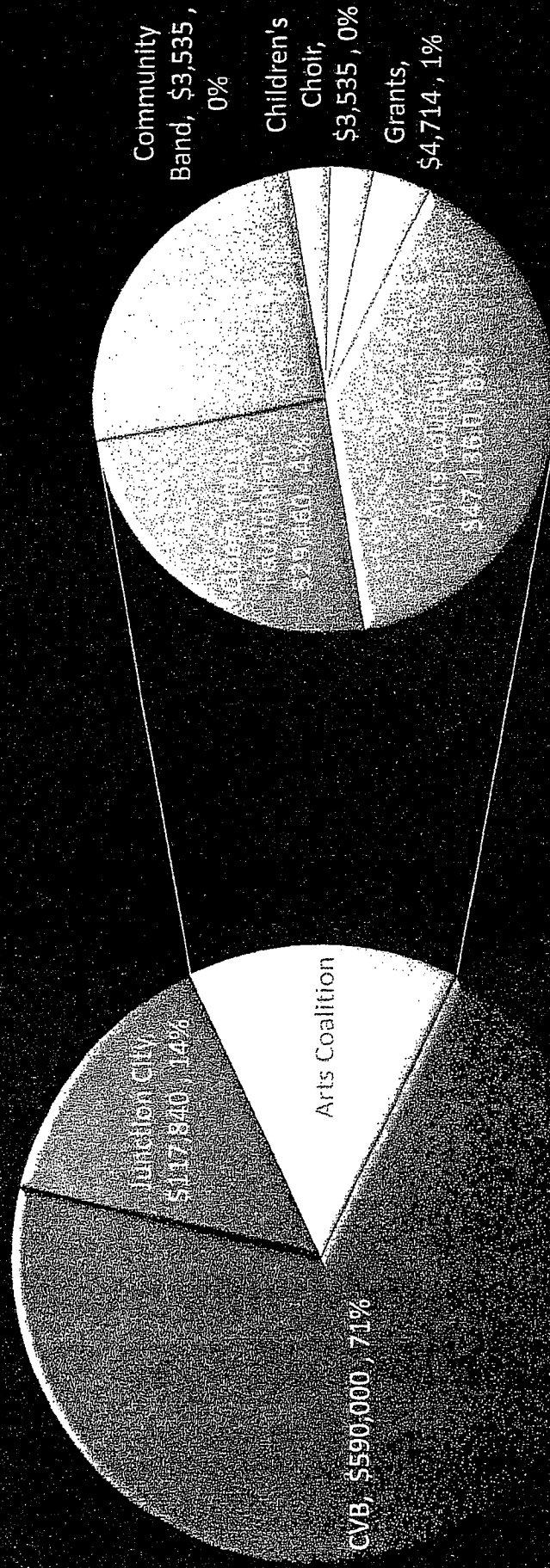
Opera House Mills (\$176,000)

0.00 0.50 1.00 1.50



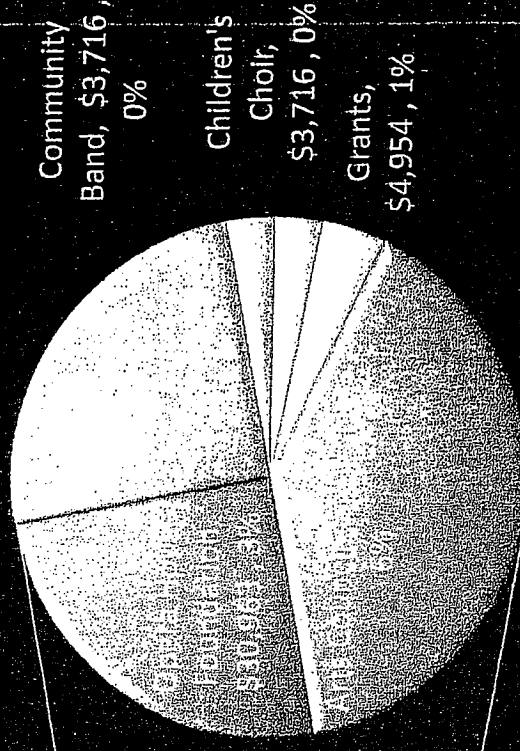
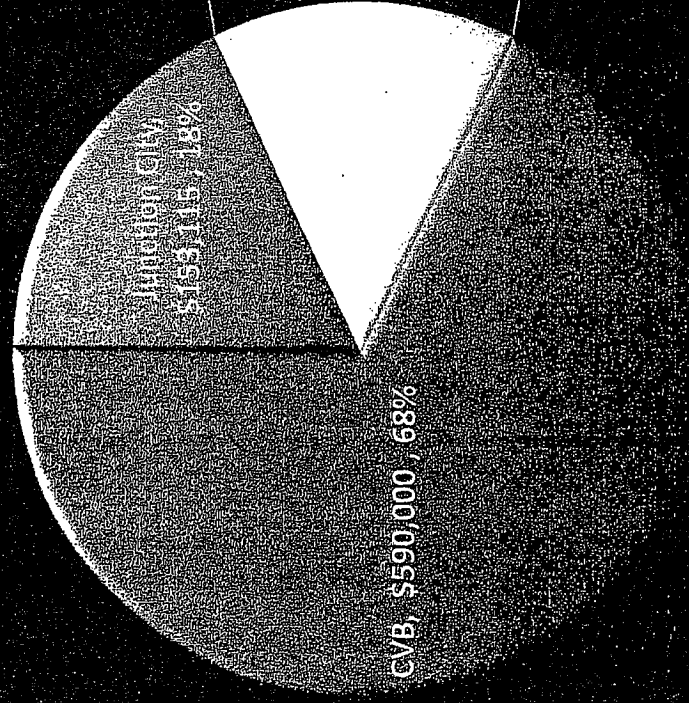
1 mil = \$165,000

Option B: Full 7% with Contract to CVB



Based on figures from fiscal year ending June 30, 2010 (last month estimated).
 \$825,680 is a 7% tax less state collection fee of \$16,851

Option B: Full 7% with Contract to CVB + 90 Day Transient



Based on figures from fiscal year ending June 30, 2010 (last month estimated).

\$866,967 is a 7% tax less state collection fee of \$17,693

90 Day transient tax adjustment is calculated on 2.5% of total hotel visits exceed 28 days.

Opera House Budget Line Item \$176,000

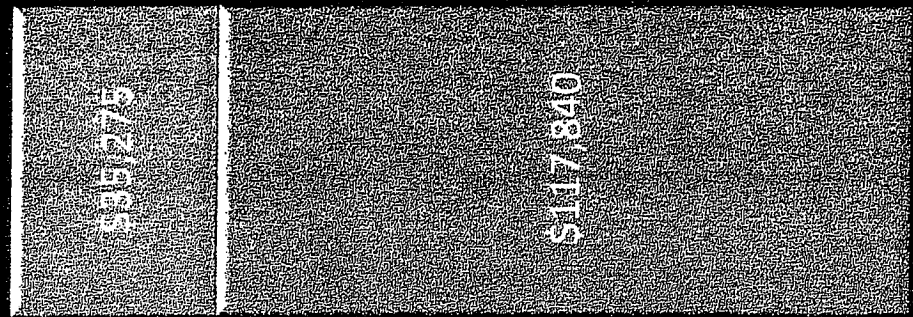
Junction City TGT 90 day transient

\$0

\$176,000



\$58,160



\$22,885

Budget

Budget with TGT

Budget with TGT + 90

Opera House Budget Line Item \$126,000

Junction City TGT 90 day transient

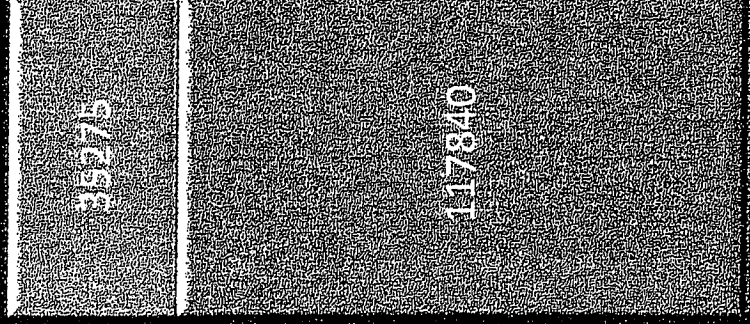
0



\$8,160

Budget

Budget with TGT

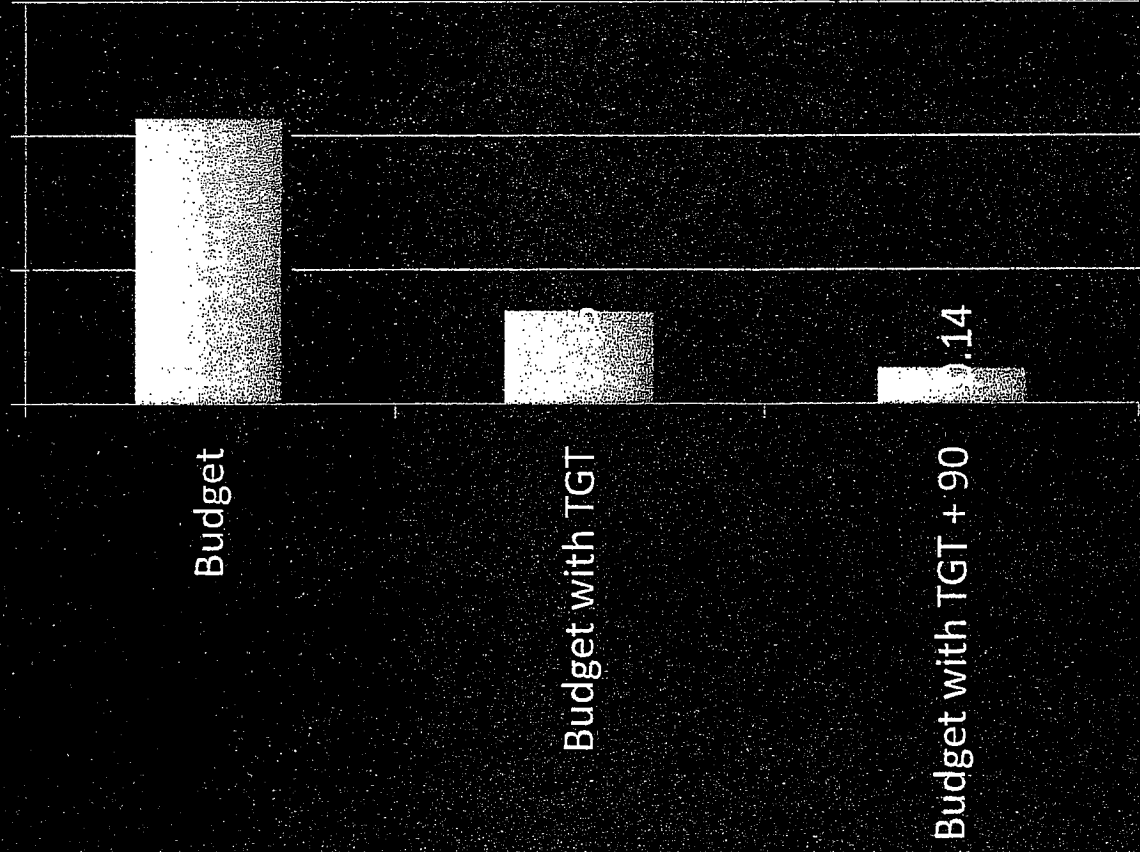


-\$27,115

Budget with TGT + 90

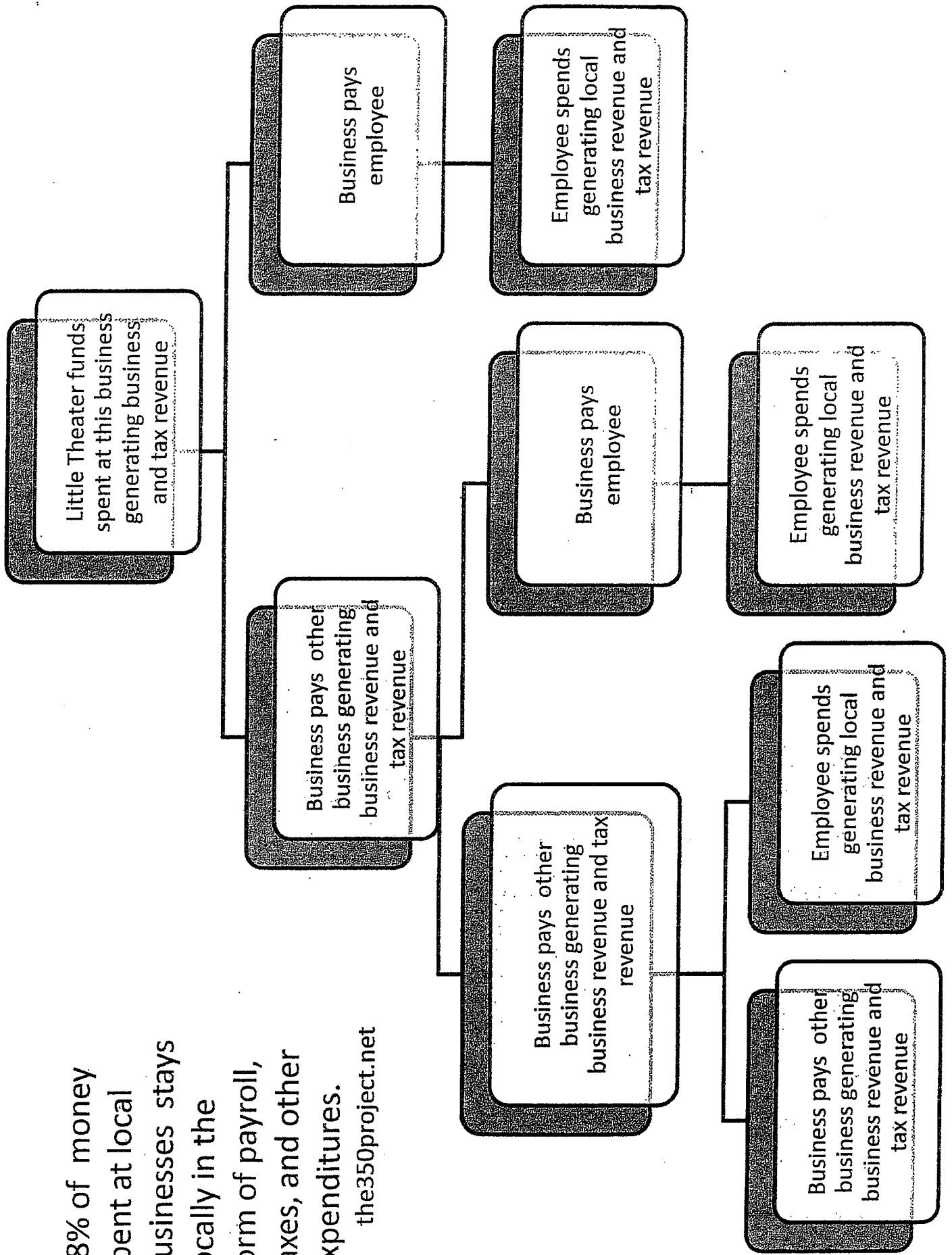
Opera House Mills (\$176,000)

0.00 0.50 1.00 1.50



1 mil = \$165,000

68% of money
spent at local
businesses stays
locally in the
form of payroll,
taxes, and other
expenditures.
the350project.net



Information

STEP 1: POPULATION

POPULATION of your community:

Less than 50,000



STEP 2: TOTAL EXPENSES (optional)

Your Organization's TOTAL EXPENSES
(please do not use commas):

\$ 84000

STEP 3: TOTAL ATTENDANCE (optional)

TOTAL ATTENDANCE to your organization's
arts events (again, do not use commas):

5211

calculate

reset

Total Economic Impact Of:

	Total Expenditures	FTE Jobs	Household Income	Local Government Revenue	State Government Revenue
Nonprofit Arts and Culture Organizations:	\$84,000	2.4	\$50,918	\$2,480	\$3,135
Nonprofit Arts and Culture Audiences:	\$147,263	3.9	\$53,137	\$6,150	\$6,967
Total Industry Impact: (The Sum of Organizations and Audiences)	\$231,263	6.2	\$104,055	\$8,630	\$10,102

Print Your Results

Please see the [fine print](#) below.

\$100.00

\$90.00

\$80.00

\$70.00

\$60.00

\$50.00

\$40.00

\$30.00

\$20.00

\$10.00

\$-

■ Manhattan

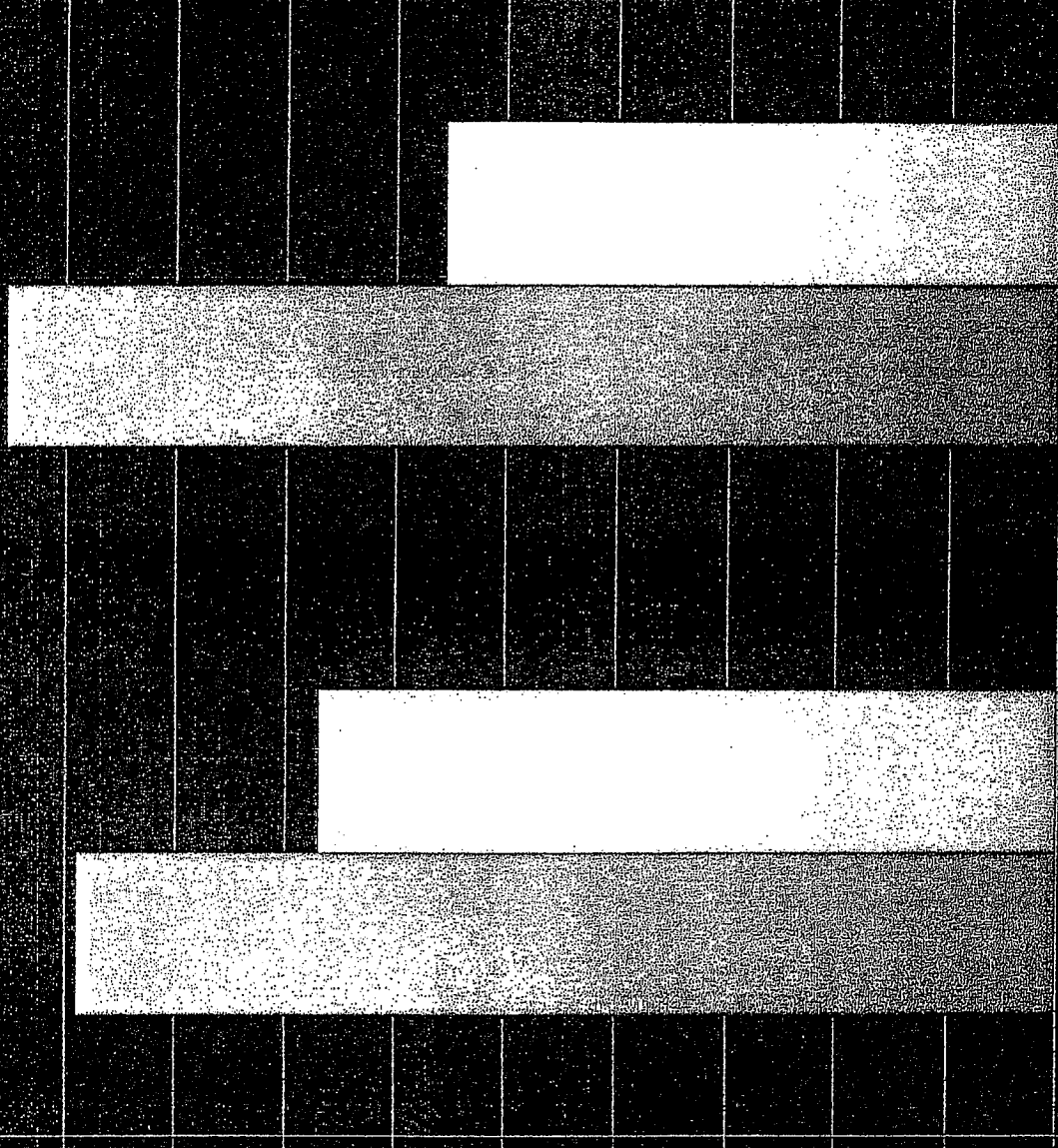
■ Junction City

Average

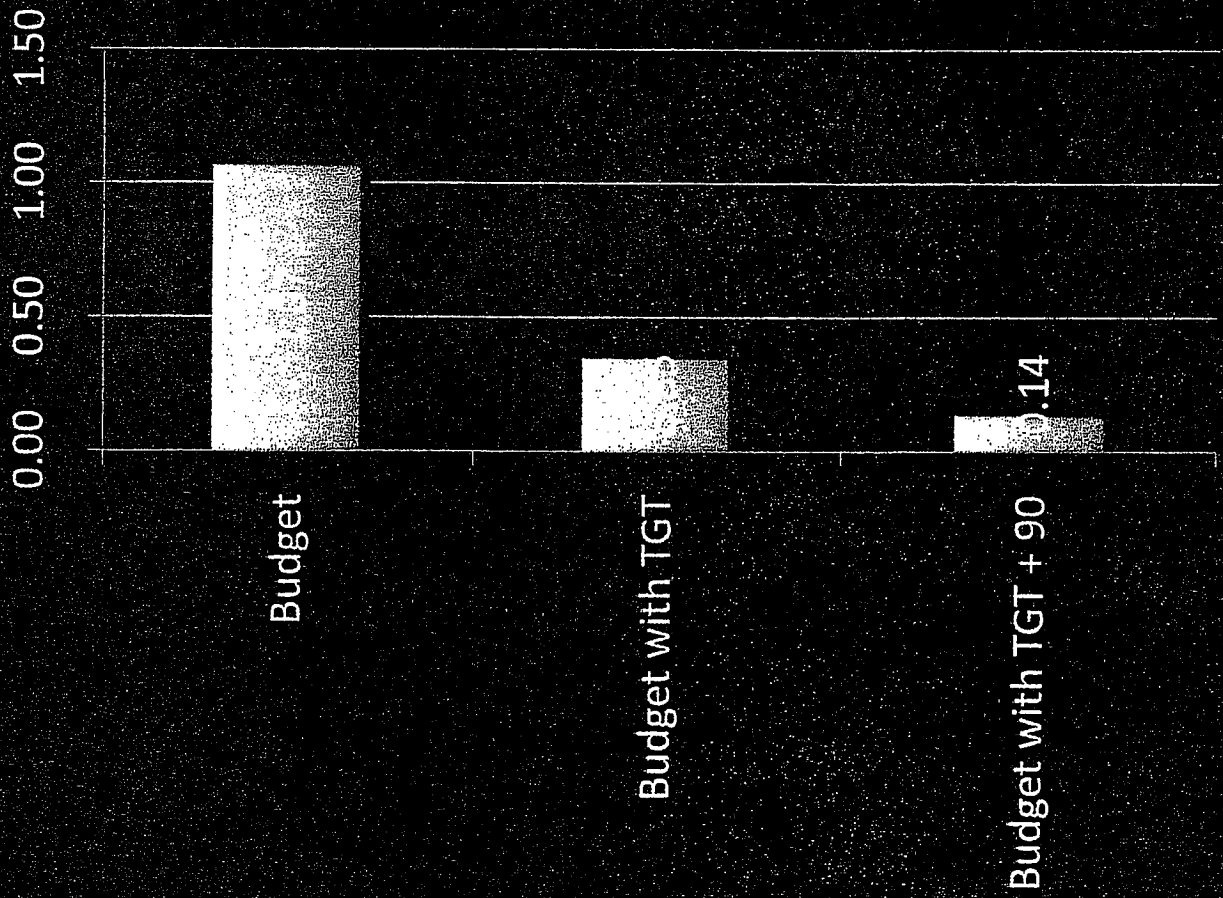
Median

Average and Median Hotel Prices

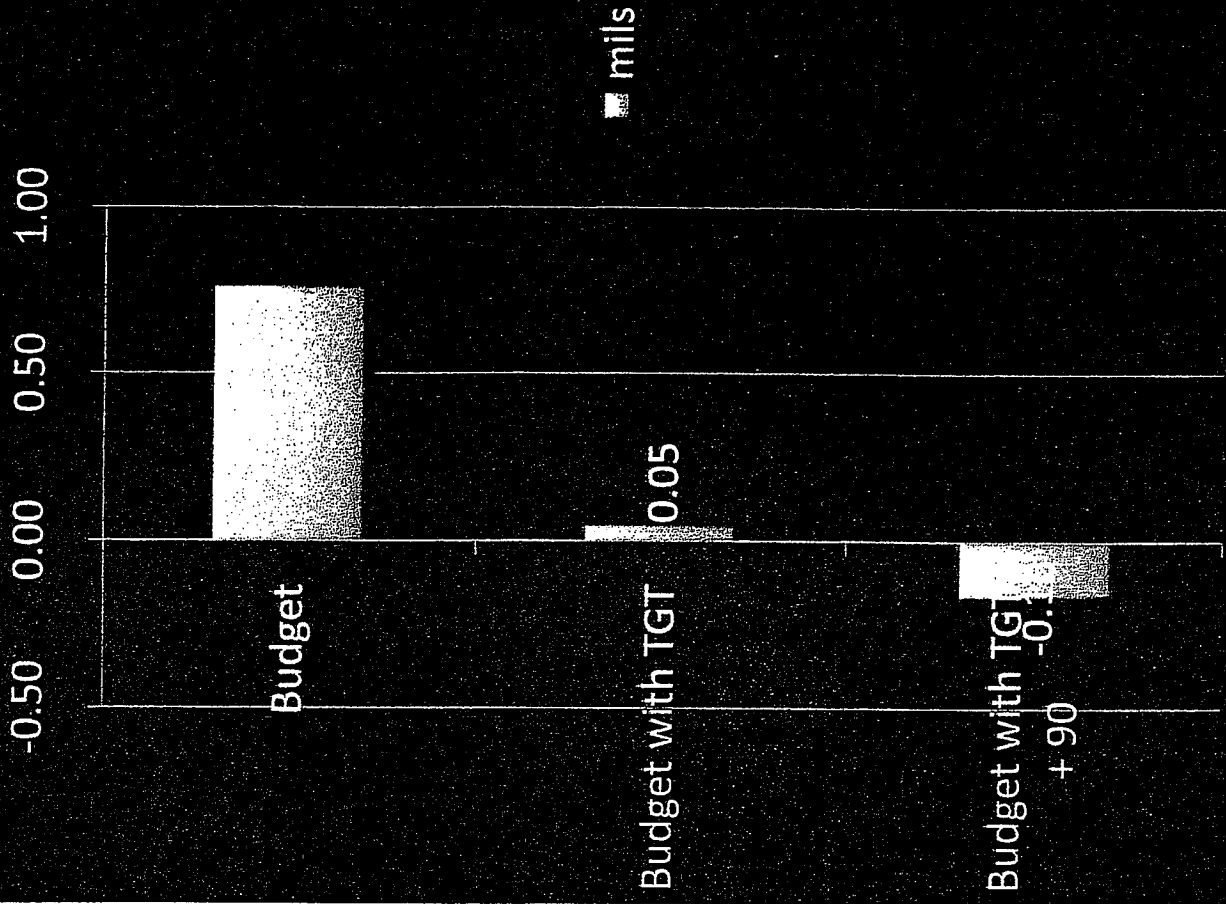
Manhattan / Junction City



Opera House Mills (\$176,000)

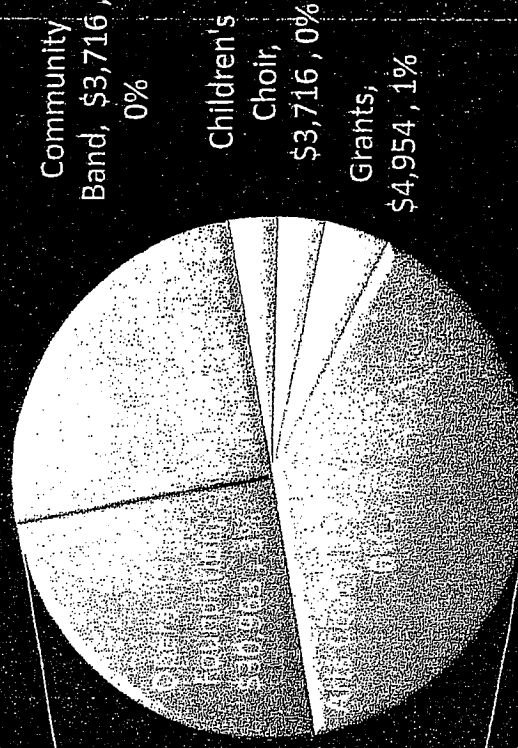
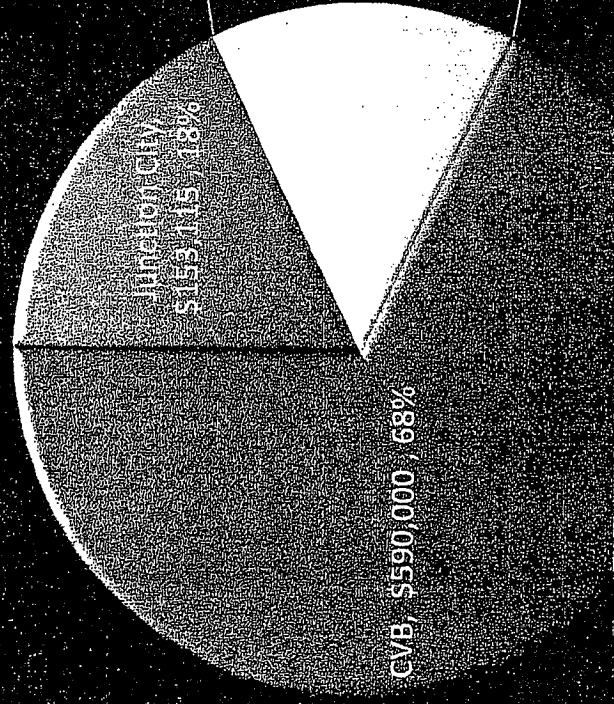


Opera House Mills (\$126,000)



1 mil = \$165,000

Option B: Full 7% with Contract to CVB + 90 Day Transient

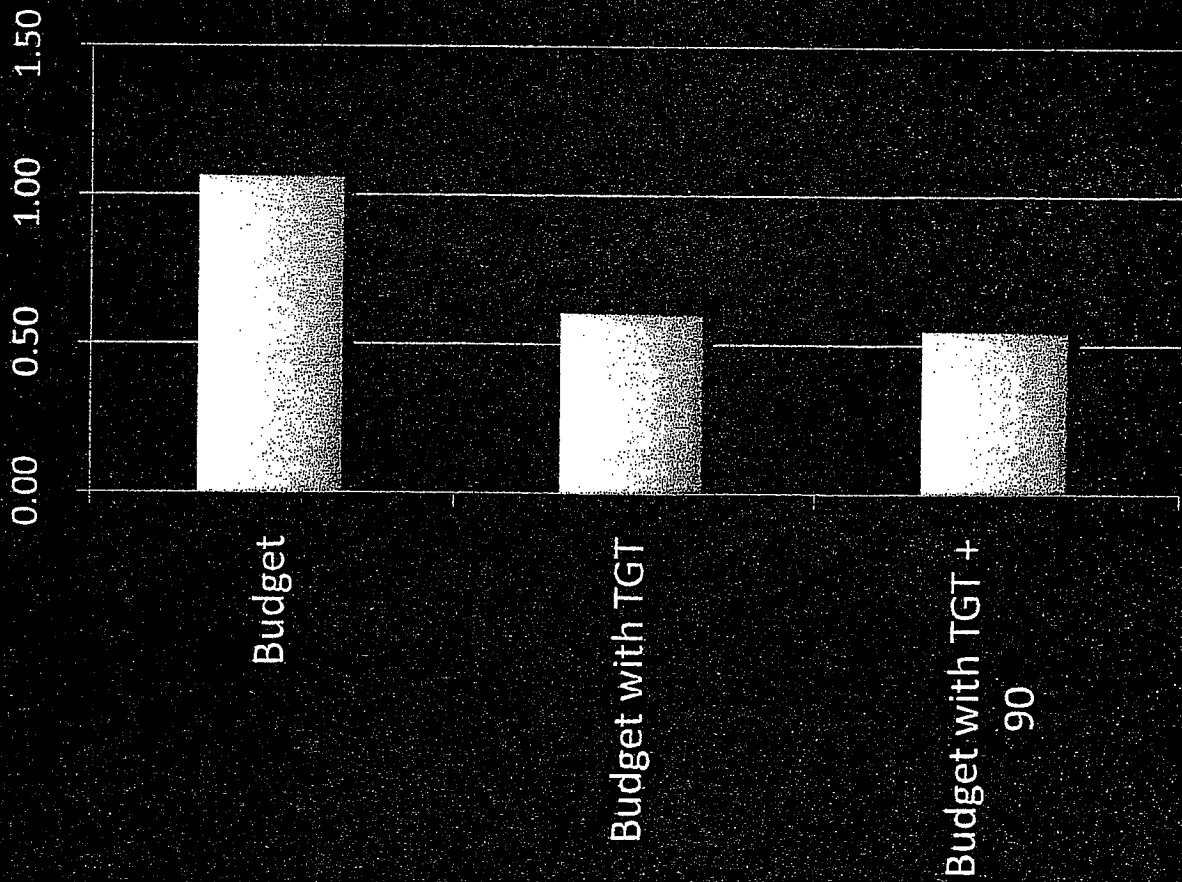


Based on figures from fiscal year ending June 30, 2010 (last month estimated).

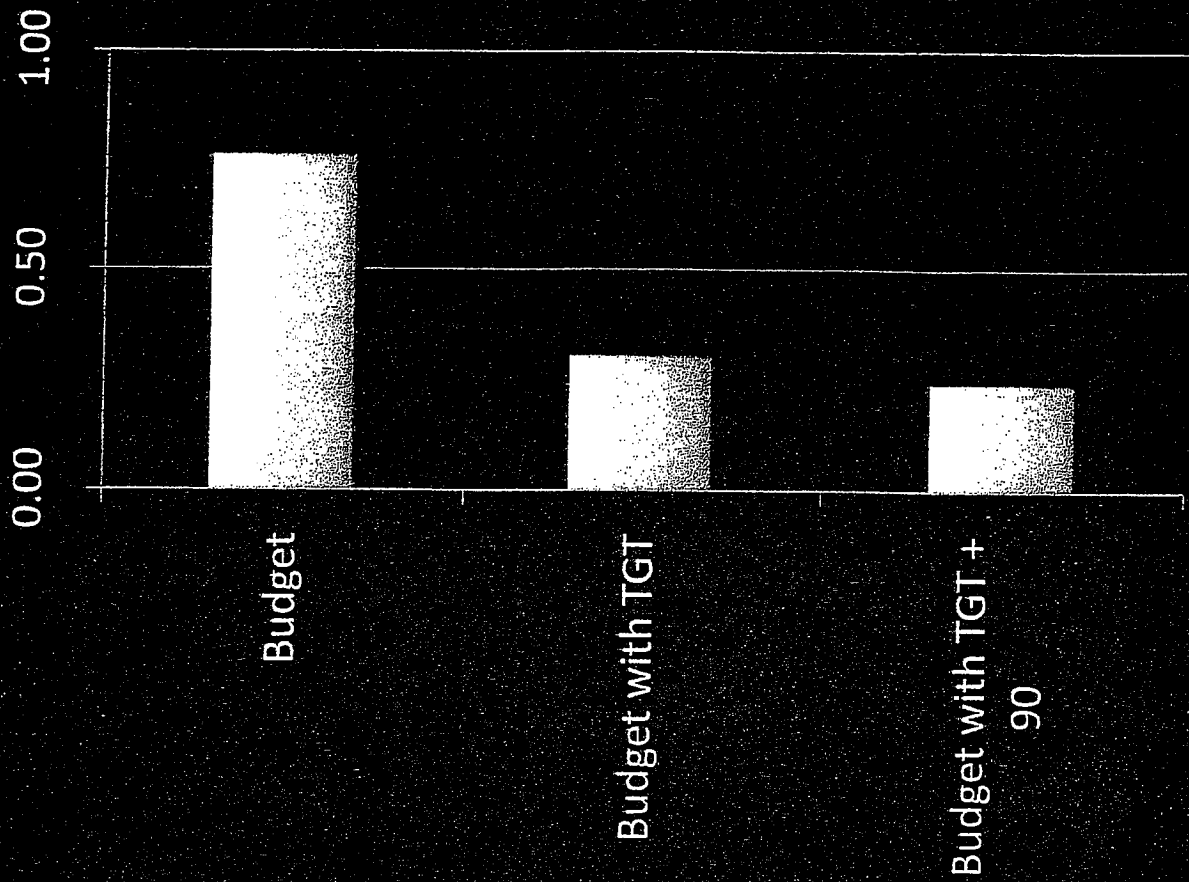
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Opera House Mills (\$176,000)




Opera House Mills (\$126,000)



1 mil = \$165,000

Exhibit B




City of Junction City

2011 Budget

8/3/2010


July versus August

Category	July	August
Mill Levy	56.66	48.46
Resources	\$11,119,945	\$12,353,098
Expenditures	\$15,082,349	\$15,613,857




How?

- General Fund Revenues
 - 2010 Budget Savings (Unencumbered Cash Balance)
 - \$800,000.00
 - Various Fees & Fine Increases
 - \$85,000.00
 - Administrative Transfer from Water Fund
 - \$200,000.00
 - Storm Water construction projects
 - \$100,000.00
 - Slight Increase Sales Tax Revenues
 - \$50,000




How?

- General Fund Expenditures
 - Administration
 - \$53,688.00 increase
 - City Attorney as an employee



How?

- General Fund Expenditures
 - Police
 - \$24,979.00 increase
 - Fine tuning of wages/benefits
 - Leaving 3 positions vacant



How?

- General Fund Expenditures
 - Recreation
 - \$590.00 Increase
 - Limited leak repairs at pool
 - Cut spray park filter improvements
 - Cut Handicap lift

How?

- General Fund Expenditures
 - Public Works
 - \$362,227.00 increase
 - \$180,000 Increased road maintenance
 - July goal to cut to 2008 levels – though still a reduction from last year

How?

- General Fund Expenditures
 - Other Services
 - \$104,000.00 decrease
 - Reduction Opera House operations
 - Reduction Military Affairs
 - Reduction in other costs

How?

- General Fund Expenditures
 - Parks
 - \$91,599.00 decrease
 - 2 full time positions vacant
 - Limitations – delayed snow removal, and limited assistance to other departments and Sundown Salute
 - Community Christmas Tree Event

How?

- General Fund Expenditures
 - Fire Department
 - \$186,094.00
 - Correction in salary numbers
 - Delay hiring two positions 6 months
 - Cutting various line items

Vernon's Four Principles

- I. Financial Stability
- II. Technology
- III. Professional Development
- IV. Ethical Culture

I. Financial Stability

- Budgeted Cash Reserve - \$585,000
- Analyzed Staffing Levels
- Analyzed Services
- Assigned Costs Appropriately
- Rate analysis all enterprise funds



II. Technology

- Not a luxury – increased productivity!
 - Codes -2 laptops with wireless connectivity
 - Office 2010 software – 54 power users
 - \$8,000.00 savings with new Verizon contract



III. Professional Development

- Minimal Travel/Training budgets re-established in 2011



IV. Ethics

- Continued equal and fair application of City Ordinances
- Goal to review existing ethics policy in 2011